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SECURITY INFORMATION

22 July 1952

MEMORANDUM FOR: Deputy Director of Central Intelligence

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SUBJECT : Conversation with [REDACTED]
on Reopening Abadan Refineries

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1. [REDACTED] stated that it would be "a comparatively simple matter" to get operations going again at the Abadan refinery provided the company or government agency responsible therefor were given "free hands" in the matter of employing competent technicians. While it would not be necessary to re-employ specific British engineers and managers, it would be essential to bring in outside talent from either Britain or America to do the job effectively.

2. The present shutdown of approximately a year has not, in his opinion, caused material damage, primarily because adequate, in fact unusual, efforts have been devoted to maintenance, repair, and caretaking. On the other hand, a continued idleness for three or four years would unquestionably ruin vital sections of the plant as a result of inescapable corrosion.

3. Crude production from the fields near Abadan could be renewed with ease and approximately four to five years' flow obtained without further drilling.

4. He stressed his opinion that a limiting factor on bringing Anglo-Iranian oil and/or products back into the market was commercial rather than technical, i.e. making room in the pattern of world consumption for this oil which is now replaced by increased production in Kuwait, Bahrain, and the Western Hemisphere. He expressed no opinion as to how long this would take to accomplish in whole or in part. But, assuming this obstacle could be surmounted, it was his opinion that crude and/or products could be made available at the Abadan docks as rapidly as tankers could be provided to carry the cargoes away.

5. He was more than willing to talk to any of our people prior to departure tomorrow, Wednesday, 23 July, but felt that further details he might add would not be really essential to the foregoing conclusions and

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could not, of course, take the place of detailed technical information on the layout, etc. of the plant which must be available at Anglo-Iranian offices in London. He expressed eagerness to be of assistance to us at any time and said he might be reached at the Waldorf Hotel through tonight, aboard the Steamer United States beginning Wednesday noon, and at or through the Ritz Hotel in Paris through the 14th of August.

ROBERT ANDY, JR.
Assistant Director
Research and Reports

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